

Town of Los Altos Hills

City Council Regular Meeting Minutes

Thursday, April 15, 2010

Council Chambers, 26379 Fremont Road

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

Mayor Kerr called the City Council Regular Meeting to order at 7:00 p.m. in the Council Chambers at Town Hall.

Present: Mayor Breene Kerr, Mayor Pro Tem Rich Larsen, Councilmember Jean Mordo, Councilmember Ginger Summit
Absent: Councilmember Dean Warshawsky
Staff: City Manager Carl Cahill, Planning Director Debbie Pedro, Consultant Planner Cynthia Richardson, City Engineer/Public Works Director Richard Chiu, Finance Director Nick Pegueros, City Attorney Steve Mattas, and City Clerk Karen Jost

APPOINTMENTS AND PRESENTATIONS

1. Presentation by Richard Santos, Chair, Santa Clara Valley Water District (SCVWD)
Board of Directors

Mr. Richard Santos, Chair, SCVWD Board of Directors, addressed Council. He thanked them for the opportunity to provide an update on the District's recent activities and relevant issues. Santos provided an overview of the current re-districting of the Board's membership that was under review and the District's water conservation and community outreach programs.

Council thanked Mr. Santos for his presentation.

2. Presentation by Dana Rhine, Member Services Coordinator, Avenidas Village

Mr. Paul Ginella, Los Altos resident, Los Altos Legacies advised the Council that the grant that had been awarded to his non-profit group by the Town had been directed to making Avenidas Village available to residents of Los Altos/Los Altos Hills. Ginella introduced Dana Rhine, Avenidas Village membership representative.

Ms. Rhine summarized the mission of the organization and services that would be made available to local seniors by Avenidas Village. The non-profit is supported by annual membership fees from participating seniors. An informational meeting will be scheduled in the near future to afford Town residents an opportunity to learn more about the organization and services.

3. Appointments to the Standing Committees

Emergency Communications Committee:

MOTION SECONDED AND CARRIED: Moved by Larsen, seconded by Summit and passed unanimously to appoint Edwin Jones, Jim Abraham, Dru Anderson, Robert Anderson, Ray Egan, Robert Hall, Scott Overstreet, David Pratt, Robert Smithwick, Maynard Stevenson, Gerald Tomanek, Al Whaley and Sam Wood to the Standing Emergency Communications Committee for a term of four years.

Parks and Recreation Committee:

MOTION SECONDED AND CARRIED: Moved by Mordo, seconded by Summit and passed unanimously to appoint Scott Vanderlip to the Standing Parks and Recreation Committee for a term of four years.

LA/LAH Joint Community Volunteer Service Awards Committee

MOTION SECONDED AND CARRIED: Moved by Summit, seconded by Mordo and passed unanimously to appoint Nancy Traficanti to the LA/LAH Joint Community Volunteer Service Awards Committee to a term expiring in 2013. Traficanti is completing the term of former member Jan Fenwick who had resigned from the Committee due to scheduling conflicts.

CONSENT CALENDAR

Items Removed: Agenda Item #7 (Mordo), Agenda Item #17 (Mordo)

MOTION SECONDED AND CARRIED: Moved by Larsen, seconded by Summit and passed unanimously to approve the remainder of the consent calendar; specifically:

4. Approval of Meeting Minutes: City Council Regular Meeting – March 18, 2010
5. Review of Disbursements: 3/1/10 – 3/31/10 \$503,731.94
6. Ratification of Appointment to the VTA Bicycle and Pedestrian Advisory Committee (Staff: K. Jost)
8. Acceptance of Donation of Bench to be Located at Town Hall (Staff: E. Christensen)
9. Approval of Agency Agreements for Countywide AB939 Implementation Fee and Household Hazardous Waste (HHW) Collection Program (Staff: R. Chiu) Resolution No. 14-10
10. Approval of Notice of Withdrawal from the Second Amended Joint Funding Agreement Silicon Valley Regional Interoperability Project (SVRIP) (Staff: N. Pegueros)
11. Acceptance of Grant of Pathway Easement; Lands of Ilnicki, 27349 Julietta Lane (Staff: R. Chiu) Resolution No. 15-10

12. Acceptance of Right-of-Way; Lands of Pedersen, 25270 Josefa Lane (Staff: R. Chiu) Resolution No. 16-10
13. Acceptance of Right-of-Way; Lands of Giori, 26631 Taaffe Road (Staff: R. Chiu) Resolution No. 17-10
14. Award of Contract to Provide Permitting Assistance for Maintenance of Dry Creek (Staff: R. Chiu) Resolution No. 18-10
15. Approval of Request for Funding and Authorization of Town-wide Mailer – Open Space Committee (Staff: K. Jost)
16. Approval of Rejection of Amendment to the Joint Powers Agreement between the Cities within the County of Santa Clara, the County of Santa Clara and the Santa Clara Valley Transportation Authority for the Administration of the SCC Congestion Management Program (Staff: K. Jost)
18. Approval and Authorization of the Execution of Amendment No. 4 to the Employment Agreement between the Town of Los Altos Hills and Carl Cahill for City Manager Services (Staff: S. Mattas) Resolution No. 19-10

Items Removed:

7. Transmittal of the Audited Financial Statements for the Fiscal Year ending in June 30, 2009 (Staff: N. Pegueros)

Councilmember Mordo advised the City Council that the Town had received a “letter of deficiency” from the auditors. He requested clarification from staff and a brief report on what plans were being put into place to correct the issue.

Finance Director Nick Pegueros provided an overview of the agenda item before Council (audit for Fiscal Year ending June 30, 2009). The auditor had certified that the report had been fairly presented. The letter referenced by Councilmember Mordo was a secondary analysis of the Town’s internal processes and internal controls. The issue pertained to the potential for error given the void of support staff in the Finance Department. Pegueros advised Council that of March 29, 2010, the Town had retained the services of Maze and Associates to provide staffing assist in the Department. Maze is a local financial consulting firm that provides support services to other jurisdictions in the area, including Portola Valley and Woodside. Pegueros added that the Town is confident that Maze is the appropriate qualified and capable partner for the Town and he assured the Council that the deficiency that had been the subject of the auditor’s letter was being addressed.

Councilmember Mordo offered that he believed the staff was moving in the right direction and clearly understood the implications of the department staffing issues. However, he wanted to see improvement in the future.

MOTION SECONDED AND CARRIED: Moved by Mordo, seconded by Larsen and passed unanimously to receive and file the Town’s Audited Financial Statement for the Fiscal Year ending in June 2009.

17. Approval of Memorandum of Understanding (MOU) between the Town of Los Altos Hills and the Los Altos Hills Emergency Group Related to Operation of Town-owned W6LAH Repeater and Authorization of the Mayor to Execute the Memorandum of Understanding on Behalf of the Town (Staff: S. Mattas)

Councilmember Mordo explained that he had requested separate consideration of the agenda item after receiving the email request from Emergency Communications Committee (ECC) member Al Whaley to defer the MOU to a future meeting. A copy of the email was available for the Councilmembers on the dais.

Mayor Pro Tem Larsen, Council liaison to the ECC, provided a brief summary of the two groups (ECC and Los Altos Hills Emergency Group (LAHEG)) and their duties and roles during an emergency. The Standing Emergency Communications Committee is a town sanctioned group, while the Los Altos Hills Emergency Group is a private amateur radio club. Larsen advised Council that the MOU before the City Council is a reasonable solution to resolve the issue of managing the operation of the Town's repeater located at the Purissima Hills Water District's water tank site.

Terry Smith, ECC member, explained that the Memorandum of Understanding (MOU) before Council formalized the eight year relationship between the Town and LAHEG. LAHEG holds the FCC license for the control and operation of the repeater. The agreement was necessitated by the recent dialogue regarding access and the overall responsibility of the repeater operations. The MOU had been unanimously approved by the ECC members at their last meeting.

Mayor Pro Tem Larsen advised Council that the vetting of the MOU had been a productive process. The agreement will increase the number of individuals that have the ability to access the repeater in the event of an emergency and a reporting mechanism has been put in place for accountability.

MOTION SECONDED AND CARRIED: Moved by Mordo, seconded by Larsen and passed unanimously to adopt Resolution No. 19-10 "Approving a Memorandum of Understanding between the Town of Los Altos Hills and the Los Altos Hills Emergency Group and Authorizing the Mayor to Execute the Memorandum of understanding on Behalf of the Town.

PRESENTATIONS FROM THE FLOOR

Kathy Evans and Elizabeth Snyder presented the Council with two Brita water pitchers on behalf of the "Green Team" students of Bullis Charter School. The "Green Team" is an after school program with a focus on the environment and conservation.

Tom Puorro, resident, advised the City Council that he would like to comment on agenda item #27 under Presentations from the Floor given the late hour the item most likely would be discussed. Puorro encouraged the Council to support the request of Bill Almon to monitor the emissions of Lehigh Quarry. He spoke to the importance of maintaining clean air in Town.

Kim Ferm, Director, 2-1-1 Santa Clara County, thanked the City Council for the opportunity to provide an overview of the 2009 annual highlights of the program. 2-1-1

is a free, three digit phone number funded by United Way Silicon Valley. The phone line provides critical resources for basic needs, employment services, criminal justice and legal services, community services, and individual and family life programs. All calls are answered by a trained “live” representative who refers callers to the appropriate services and address their needs. The 24/7 service is provided in 107 different languages. Over 27,000 calls were logged in 2009.

She thanked the Town for their continued support.

PUBLIC HEARINGS

19. LANDS OF HIDDEN VILLA; 26870 Moody Road, APN: 351-36-024 and 351-36-020; File #12-10-MISC; Amendment to the Los Altos Hills General Plan Land Use Element and Urban Service Area Boundary; Amendment to the Los Altos Hills Municipal Code (Title10, Chapter 1, Zoning) to create a Hidden Villa Overlay District (HV); and Prezoning of Lands of Hidden Villa; CEQA Review: Negative Declaration (Staff: D. Pedro)

Planning Director Debbie Pedro introduced the item to Council. She provided an overview of the proposed annexation project that would require a General Plan Land Use Element amendment, Zoning Ordinance amendment to create an Overlay Zoning District and the pre-zoning of Hidden Villa.

Hidden Villa was founded by Josephine and Frank Duveneck who purchased the land in 1924. They opened their lands to the community and formed the non-profit educational organization Hidden Villa that today offers a variety of environmental programs. In 1937, the Duvenecks established a hostel on the property and it is currently the oldest operating hostel in California. Pedro reviewed the current development on the site that supports the organization’s operations and the wide variety of programs currently available at Hidden Villa.

The entire Hidden Villa property, located within unincorporated Santa Clara County, consists of eight parcels totaling approximately 1,550 acres. The parcels are located outside of the Town’s Urban Service Area (USA). The developed portions of the Hidden Villa property are currently served by the Los Altos Hills County Fire District (LAHCFD). The remaining 1400 acres of wilderness area are served by Cal Fire. The annexation would define a new USA that would match the LAHCFD’s service boundary. The portion of Hidden Villa lands affected by the annexation project encompassed 213.89 acres along Moody Road and included parcel numbers 351-36-024 (24.34 acres) and 351-36-020 (189.55 acres).

Pedro’s PowerPoint presentation included a map of the project area; aerial of the site; description of the text and map amendments to the General Plan Land Use Element that would be necessitated by the proposed annexation; outline of the Amendment to the Zoning Ordinance to create the Hidden Villa Overlay Zone; description of the proposed revisions to the Overlay Ordinance requested by Midpeninsula Regional Open Space District staff; and a summary of the “next steps” in the annexation process.

In response to Councilmember Mordo’s request for clarification on the proposed overlay zone, Pedro explained that an overlay zone/district would allow the Town to set up

specific development standards in a particular area. Given the uniqueness of Hidden Villa's development and use, there were no current land use designations that were suitable. She noted that the overlay zone would allow the current operations at Hidden Villa to continue and would establish more restrictive development standards for single family residential properties. Currently, there are no overlay districts in the Town. City Manager Cahill added that an overlay zone would have been appropriate for Byrne Preserve/Westwind Barn, but the adoption of the Open Space Initiative eliminated the need.

Pedro reviewed the text amendment to the Land Use Element of the General Plan that would allow the creation of overlay zones within the Residential Land Use designation. Three types of primary uses would be permitted within the Hidden Villa Overlay Zone. They included: the non-profit facility uses that are currently permitted on the property; primary dwellings (single family homes); and open space. Pedro noted that if the property were to be annexed into the Town under the R-A zoning district, it would be subject to the Town's slope density formula that would allow one residential unit per acre. The overlay ordinance proposed a more restrictive development standard for residential units with a five acre minimum lot size. Each lot would have an MFA (maximum floor area) and MDA (maximum development area) equivalent to one flat acre. Pedro clarified that the discussion of a potential subdivision on the property was theoretical. The overlay zone would permit up to five parcels and up to four residential units. The non-profit would be located on the fifth parcel. Hidden Villa has indicated that they would like to retain their development rights. Pedro explained that 90% of the Hidden Villa land is encumbered by open space easements held by the Mid Pen Open Space District or Santa Clara County. The only unencumbered area was the 24 acres identified as the lower fields.

Pedro reviewed the future uses for the property that would require a Conditional Use Permit if Hidden Villa were to be annexed. These included: seasonal concerts, commercial stables and periodic sale of crafts, etc. that extended beyond one day.

Pedro noted that Hidden Villa has entered into a twenty year lease agreement with Heifer International for approximately 8.5 acres located in the lower fields (unencumbered area). Heifer International is proposing to develop a global village in the area that would include the construction of a 1,500-2,000 square foot reception building and 5 village sites. Each of the village buildings were expected to be 200-250 square feet and would replicate the living conditions in various countries around the world. It was noted that the Town has not received a formal application from Heifer for the project and would not be able to act on the proposal until Hidden Villa was annexed.

The Planning Commission at their March 25, 2010 meeting had reviewed the annexation project and voted unanimously to recommended approval of the proposal. Pedro advised that following the Planning Commission meeting, Town staff had met with Hidden Villa representatives and Midpeninsula Regional Open Space District staff. Mid Pen had proposed minor revisions to the Overlay Ordinance that acknowledged Mid Pen's trails and easements on the Hidden Villa property. The proposed amendments were included in the staff report before the City Council as Attachment 4 and highlighted in red.

Council requested testimony from Mid Pen representatives.

Steve Abbors, General Manager Midpeninsula Regional Open Space District (MROSD), addressed Council. The District's involvement with Hidden Villa has centered on the protection of Open Space. The original easements were established in 1982 and approximately 1492 acres of Hidden Villa land are protected (encumbered) by easements. Currently, the District and Hidden Villa are in negotiations to protect the lower 55 acres. Abbors spoke to the current difficult economic times and the District's concerns about their ability to pay for conservation easements over the properties that remain on the site. Abbors advised that the District has advised the stakeholders their desire to remain involved in the annexation process. He noted that he understood and appreciated the Town's reasons for the proposed annexation. However, the District's understanding of proposed development on the site from Santa Clara County was that only two residential units would be permitted on the 55 acres. He offered that the "up-zoning" identified by the Town, would make it more difficult for the District to participate in the preservation of the land.

Councilmember Mordo requested a clarification on "up-zoning". Abbors offered that the District was of the opinion that the Town's proposal for the Overlay Zoning was less restrictive than the County. He suggested that the additional residential development opportunities would make it more expensive for conservation easements. Currently there are eight conservation easements in place on the site (1492 acres) with a ninth easement from the County on the knoll.

Mayor Kerr noted that there were a variety of differing opinions on the development opportunities for Hidden Villa. He offered that the only way to find out the actual development that would be permitted was to subdivide the property.

Councilmember Mordo suggested that it would be appropriate to hear the County's comments on development options for the property. Planning Director Pedro advised that staff has requested a determination from the County Planning department but they were unable to provide a specific number. Town staff had prepared a slide for discussion for the development density calculations using the Santa Clara County standards without considering easements. Pedro shared the slide with Council. Staff estimated that 5.4 units could be built on the 213 acres.

Mike Williams, Midpeninsula Regional Open Space District (MROSD) Real Property Manager, described the current conservation easements the District holds on approximately 159 of the 213 acres under discussion for the proposed annexation. The two types of easements included: the wilderness easements that retain the land in its natural state and the "ranch" easement which permitted the ranch area and existing buildings (copy of the "ranch easement" was provided to Council in their packet. The City Attorney reviewed the easement with Council and the permitted and non-permitted activities within the easement). The easements fall under the Public Resources Code and are held in perpetuity. The easements could not be altered or modified the easements unless it would result in further protection of the property. Williams noted that during their discussions with Hidden Villa, the concept of having one comprehensive easement over the property in lieu of adding a ninth easement had been raised. The District (MROSD) monitored their easements on the property annually to ensure that conditions of the easement are met.

Williams noted that the District's interpretation of the permitted number of legal parcels for residences on the 213 acres under discussion for annexation was two sites. He noted that 55 acres were not encumbered with easements. He identified the 25 and 30 acre parcels that he considered to be the two building site parcels under current County zoning. He suggested that the potential increase in permitted sites by the Town could make it less feasible for the District to move forward with their negotiations to protect the property by being priced out.

Mayor Kerr questioned if the District was additionally looking for access to San Antonio Preserve from Hidden Villa. Williams acknowledged that they were seeking access through their trail system.

Councilmember Mordo requested clarification on the number of building sites proffered by Williams. Williams explained that under the County zoning, one building site was permitted for every 20 acres.

Planning Director Pedro noted that the Town was not adopting the County's zoning ordinance or formula for the proposed "Overlay District" given that the Town does not have cluster or hillside zoning. However, using the County's formula (development density calculations without considering the easement restrictions) based on the acreage and slope, 5.4 units would be permitted. As applied to the Town's proposed "Overlay District" up to 5 units could be created. Pedro noted that it could be less than 5 units.

Councilmember Mordo questioned if the County would permit the same number of units on the lower fields as the Town was proposing. Planning Director Pedro explained the concept of cluster zoning that could be applied by the County in determining the permitted units and how up to 5.4 residential units (excluding any easement restrictions) would be permitted.

Councilmember Summit requested information on the proposed Heifer International project. Planning Director Pedro noted that the Town had not received an application from the organization. Currently, a proposal is being discussed between Hidden Villa and Heifer International for the development of a global village on the lower fields that would involve the construction of a reception building (1,500 square feet) and 5 village sites. It was noted that the existence of the lease would reduce the number of residential units that would be permitted on the site. Pedro explained that the proposed "Overlay Ordinance" would prohibit the sale of the site to Heifer by Hidden Villa. Two non-profits would be prohibited from residing on Hidden Villa lands.

Councilmember Mordo questioned if the Town would be able to include a "buffer" between the Heifer project and residences on Murietta Lane in the Overlay District. Pedro noted that the Town would have an opportunity to consider restrictions (easements) when the Heifer project's application was considered during the site development process.

OPENED PUBLIC HEARING

Martin Neiman, Hidden Villa Board member, addressed the City Council. Neiman noted that they have been partners with Mid Pen Open Space District for many years with the common goal of preserving Hidden Villa lands. Currently the two are in negotiations.

He expressed Hidden Villa's desire to be annexed into the Town with the ultimate goal of a development neutral solution. Hidden Villa was not looking to increase development. Neiman noted that there were many interpretations on the number of sites that could be permitted on the property with a range from 2-9. He added that Hidden Villa has been very open regarding the Heifer project and lease. The remaining question is to which jurisdiction the project would be submitted; the Town or Santa Clara County.

Nancy Federman, Murietta Lane, asked the City Council to consider the interests of the Town's residents in making their decision. She opposed the annexation and believed Hidden Villa would have more development rights under the Town's jurisdiction. Federman did not believe the County would approve the current Heifer project. If the annexation were to be approved, she requested strict limits on the Heifer project. Additionally, she requested a buffer between the development and the neighbors and no additional access into Hidden Villa from Moody Road.

Karen Lemes, Moody Road, suggested that it would be appropriate for the City Council to consider further study of the annexation before moving forward. She expressed her many concerns regarding the proposed Heifer International Global Village project and the potential for changes to the pristine lands of Hidden Villa. Lemes believed the organization was counter to the mission of the founders of Hidden Villa, Frank and Josephine Duveneck.

Jill Kilty-Newburn, Heifer International Group, addressed Council. She appreciated the conversation and concurred with comments from Planning Director Pedro that the discussion of the project was premature. Kilty-Newburn noted that they have had conversations with the County regarding the development. She provided an overview of the organization's mission and educational goals. Kilty-Newburn offered that the organization and Hidden Villa have a shared educational and environmental mission and complementary programs. Frank and Josephine Duveneck had donated one of their Heifers in 1945 to the organization, a reflection of the kindred spirit.

Mrs. William Fenney, Murietta Lane, requested that the City Council prohibit any access from Moody Road to future development on the Hidden Villa lands given the traffic and safety concerns already associated with the intersection at Murietta Lane and Moody Road. Fenney noted that she was also speaking on behalf of her neighbor Dan Maydan. Both properties back Moody Road. She noted that she had been denied driveway access from Moody Road to her property during her development process and would demand similar approval if access were granted to the development.

Katie Marron, Murietta Lane, explained that her property backed up to the Hidden Villa preserve and she suggested that a "wildlife corridor" be considered as a possible buffer to mitigate the Heifer International proposed project. She questioned if Heifer were to abandon their lease, would Hidden Villa be able to sell the site for a residence that would impact the creek and potentially build a fence that would limit access to the wildlife.

Planning Director Pedro explained that conservation easements were normally required for any development situated along a creek. Fences are permitted but they would not be allowed to be closed and block a "wildlife" corridor along the creek. Town setbacks from the road were more stringent than the County's. However, the required setback from the creek was less.

Shari Emling, Murietta Lane, commented that she had strong disagreements with the Negative Declaration that had been prepared for the annexation project. She suggested that the annexation would have a substantial adverse impact on habitat modification given the Town's 25 foot setback for development by a creek. Emling noted that under the current County zoning, 150 foot setback is the standard requirement from the creek. She noted that there would be a significant impact on traffic from the Heifer project that would could potentially double the traffic in the area.

Planning Director Pedro clarified that the Negative Declaration for the annexation did not include a traffic analysis for the Heifer project. A separate environmental report would be conducted at the time of the Heifer application submittal. Heifer estimated traffic using a 5-year model, would be approximately 10,800 visitors annually on the 8.5 acre site. Car pools would be required. Proposed parking was for 24 stalls.

Sue Welch, resident, expressed her concern for the proposed Heifer International project at Hidden Villa. She offered that the non-profit organization was very large and well funded with total assets of over 159 million dollars. Welch noted that her research on the organization had shown that the majority of the Global Villages were located in remote rural areas with no residences in the immediate vicinity and approximately 27,000 visitors annually at each location. Welch added that most villages also had hostels for lodging. She proposed that Heifer was underestimating the number of visitors at its Hidden Villa location given the proximity to numerous communities.

Planning Director Pedro reviewed the permitted uses for the land that was included in the Council packet. Any overnight accommodations would have to be part of an environmental or educational program.

Carol Phy, Moody Road, commented that Hidden Villa had been good neighbors for many years. Initially, she had been supportive of the Heifer project but now has concerns about the potential impact on Moody Road traffic. She spoke to the high usage of the road by bicyclists, walkers, and car clubs as a recreational area.

Jitze Couperus, Page Mill Road, suggested that the proposed upstream development at Hidden Villa could have an adverse impact on Adobe Creek. He opposed the annexation and suggested that the 150 foot setback requirement for development in the County would be more protective than the Town's current 25 foot setback from creeks. If the Hidden Villa property were to be annexed, he recommended that the 150 foot setback be retained. He expressed his concern on the effect on the creek of any new parking lots and/or development at Hidden Villa and suggested the Town consider requiring a bond for development that could be used to fix any future damage to the creek.

Councilmember Mordo questioned if 150 foot setback from the creek could be included in the overlay district. City Attorney Mattas explained that if the Town were to impose such a restriction, it should be clarified what the rationale was for treating this property differently. Mattas noted that the establishment of these additional zoning conditions had not been considered by the Planning Commission.

John Lemes, Moody Road, opposed the annexation. He suggested that Hidden Villa was pursuing the annexation to increase the value of their property to be able to ask for more

money from Mid Pen for the easement. He expressed his concern with water runoff into the creek and hoped that the pristine legacy of the Duvenecks could be maintained.

Tom Baenziger, Murietta Lane, stated that he appreciated all of the work that had gone into the exploration of the annexation. He noted that he had found the PowerPoint illustrations by staff confusing and hoped that for future discussions, different slides be used that were more representative of the proposals for development.

Michael Yeh, Murietta Lane, expressed his concern that traffic and noise would increase with the proposed development at Hidden Villa. He suggested that a wildlife corridor be designated as an appropriate buffer between the development (Heifer) and the residences on Murietta Lane.

CLOSED PUBLIC HEARING

Council Discussion:

Mayor Pro Tem Larsen requested clarification on the feasibility of the Heifer project site being sold for residential development. Planning Director Pedro explained that Heifer was leasing the property and had no rights to sell the property. Hidden Villa could sell the property if it became available for residential development.

Councilmember Summit explained that the land could be sold under the County's jurisdiction and the Town would have no influence on what development or changes could be done at Hidden Villa.

Councilmember Mordo stated that he was uncomfortable with the proposed annexation and did not see any benefit in moving forward without additional study. He suggested that the Town's regulations were not as restrictive as the County's. Mordo questioned why Hidden Villa was interested in the annexation unless it was to increase their development capabilities and wondered what the Town was gaining in exchange. He suggested that it would be more appropriate to do additional investigation that compared the Town and County's requirements and the feasibility of adding the increased setback to the creek (150 feet) to the Overlay District.

Councilmember Summit offered that the Town had initiated the annexation conversation with Hidden Villa. The proposal had been carefully considered and vetted by their Board. She could not find any clear indication in her review of Hidden Villas reports that the assumptions that have been tendered that Hidden Villa wanted to subdivide their land had any foundation at this time and would only be considered as a future possibility. If this were the case and Hidden Villa remained in the County, the Town would have no input in the development or be able to protect the neighbors and community. She believed that the Heifer project would proceed with the County if Hidden Villa was not annexed and the concerns from the neighbors regarding traffic and noise might not be addressed. However, Summit noted that she was conflicted. She could see the pros and cons with the annexation but believed that it was preferable for the Town to have input and control over projects.

Mayor Pro Tem Larsen concurred with the comments of Councilmember Summit and noted that the issue was maintaining control over development. The Town would have more input on the site with future projects like the proposed Heifer Global Village. The

Town would be obligated to exercise strict controls on the site. Larsen noted that there have been numerous conversations with Hidden Villa regarding the annexation. He understood that the annexation was a very complex issue and he was very sensitive to the concerns expressed by the neighbors.

Councilmember Mordo offered that the Overlay Zoning that was before Council for their consideration would limit the control on the site. He noted that he was not opposed to the annexation but suggested that the proposed Overlay Zoning ordinance needed additional study.

Mayor Kerr offered that Heifer representatives had commented that two draft proposals for their project had been prepared; one for submittal to the County and one for submittal to the Town and inquired as to their differences. Staff clarified that the development for the County submittal was approximately 100 feet from the creek. Mayor Kerr suggested that Hidden Villa might be amenable to greater setbacks from the creek than the 25 feet identified in the Town's draft Overlay Zoning District. Kerr proffered that the Hidden Villa property was unique and bordered approximately 1,200 acres of open space wilderness, Rancho San Antonio preserve and Town owned Open Space and the additional setback requirement could be justified.

City Attorney Mattas advised Council that if they wished to consider establishing increased setback requirements from the creek for zoning purposes, the basis could be the rationale identified by the Mayor and the fact that the current restrictions on the property by the County were greater than the Town's.

Mayor Kerr thanked Hidden Villa for being great stewards of the environment and their property. He noted that the County had suggested that their parking lot be paved and they had declined. Kerr questioned if it would be feasible to require any future parking lots over a certain size have permeable surfaces because of the uniqueness of the area. City Attorney Mattas offered that it could be included with the same rationale. He noted that this condition would normally be addressed under site development but a policy could be included in the overlay ordinance that related specifically to this land and stated that any parking lots that were over a certain size (number of spaces) be required to be constructed of a permeable surface. Mattas clarified that the Council was establishing zoning in the form of an overlay district and could identify policies that would be applied when a site development permit was considered.

Council discussion ensued regarding additional modifications to the Overlay District Ordinance. Mayor Kerr suggested that additional language ("existing" parking areas) be added to the amendment suggested by Midpeninsula Regional Open Space District (#11). This would allow the Town to place conditions on new parking areas.

Councilmember Mordo offered that he agreed with the policy modifications suggested by Mayor Kerr. However, he was still uncomfortable with moving forward without additional analysis of what development could be done on the site under the County's jurisdiction. He feared that the Town would lose all of their leverage if the overlay district was not reconsidered for additional restrictions.

Mayor Kerr spoke to the original incorporation of Los Altos Hills by citizens who found it very difficult to work with the County for their permits and their desire to retain the

rural nature of the Town. He offered that Hidden Villa had been good stewards of their land and the annexation would provide opportunities for the town and Hidden Villa to develop joint educational and environmental programs. Additional advantages to the Town for the annexation cited by Kerr included cooperative Parks and Recreation programs and the ability of the Town to include areas that are now in the County, once annexed, in stimulus projects. He noted the recent paving rehabilitation project on Moody Road that had to cease at the County boundary as an example. Kerr added that the agreement with Heifer could help to ensure the fiscal future of Hidden Villa and eliminate their need to sell property.

Council discussed the option of scheduling a special meeting and continuing the public hearing to allow staff the opportunity to prepare the additional information that had been identified by the Council. They included: comparison of allowable development in the County vs. Town; structure setback requirement from Adobe Creek (up to 150 feet); exploration of issues with access points off of Moody Road; and, impervious surface limitations on parking areas.

Councilmember Mordo suggested that Councilmembers agree to restrict their conversations with Hidden Villa until the scheduled meeting. Council concurred.

MOTION SECONDED AND CARRIED: Moved by Mordo, seconded by Larsen and passed unanimously to re-open the Public Hearing and continue the item to a special meeting scheduled for May 13, 2010 after the hour of 7:30 p.m.

COUNCIL REOPENED THE PUBLIC HEARING

COUNCIL RECESS: 10:30 PM

COUNCIL RECONVENED TO OPEN SESSION: 10:40 PM

20. LANDS OF BROCKWAY (Formerly Lands of Moeller) 11990 Page Mill Road, Amendment to City Council Conditions of Approval for Subdivision Utility Improvement Plans (Staff: R. Chiu).

City Engineer/Public Works Director Richard Chiu introduced the item to the City Council. Council had before them a request from the Applicant to amend the City Council Conditions of Approval for subdivision utility improvement plans to relocate the transformer to an alternate location while maintaining the original points of connection.

Chiu proceeded with a PowerPoint presentation. He reviewed the project's historical timeline with Council. The tentative map had been approved by the City Council at the regular March 8, 2007 meeting. Following the City Engineer's approval of a proposed utility plan in May, 2009, the approval was appealed by Waidy Lee (immediate neighbor to the subdivision). Following a subsequent hearing by the Planning Commission and appeal of their action by the applicant (Brockway), the City Council set the Conditions of Approval at their July 23, 2009 regular City Council Meeting. The request before Council was to amend those conditions.

Chiu shared schematics with the City Council that reflected the approved Conditions of Approval for the utility improvement plans and the proposed amendment. PG&E

preferred the proposed amended location for the transformer. Chiu noted that staff was requesting \$12,000 be deposited with the City for up to five years in addition to the \$20,000 deposit required with the original approval. It was noted that the revision did not impact Killian and Lee (neighbors).

Applicant Comments:

Greg Brockway, applicant representative, addressed Council. Following the Council's approval of their utility plan, PG&E has determined that the plan was problematic. The proposed revision before the Council has been a joint effort of Town staff, PG&E and their project engineers to find a resolution that met the Council's criteria and would not harm the neighbors. The new plan would not impose any additional costs on the Lees or limit the Town's ability to underground utility lines in the future. Brockway noted that the new location is preferred by PG&E and they have determined that it will provide safe access and met maintenance requirements.

Brockway reiterated that they were agreeing to deposit an additional \$12,000 towards future undergrounding and added that the proposed plans went beyond what had been required with their earlier approval. They would be installing pull boxes (cost of additional \$7,000) to simplify the process. Brockway suggested that the revision also had a community benefit in that the unsightly turnaround needed for PG&E's maintenance to the transformer would be eliminated and there would be less concrete coverage on the site. He thanked the City Council for their consideration.

OPENED PUBLIC HEARING

Waidy Lee, resident and neighbor, addressed the Council. Lee questioned if Council had received her email transmission. (Council had a copy of the correspondence before them on the dais). She expressed her concern that the proposal would adversely affect the safety of the neighbors. Lee shared a slide with Council that purported that her costs for undergrounding would be increased. She requested Council return the item to the Planning Commission for review.

Lee Patmore, neighbor, questioned what had happened to the undergrounding on the property. She suggested that the Council follow the law in making their determination. Patmore believed the request was to save the Brockway's from losing land.

Project Engineer advised that there was no change to the undergrounding for the project with the revision before the City Council.

The Council asked on the record if the applicant was willing to increase the deposit retention period from five years to seven from the time of approval of the final map. Beverly Brockway, applicant, declined the request offering that it was not reasonable. She offered that the additional deposit more than compensated for the costs of undergrounding in the area.

Eric Clow, resident, suggested that the City Council not return the deposit to the applicant if future undergrounding in the neighborhood was not done and retain the option to allocate the funds to some other use.

Council noted that Brockway had granted easements and the deposit funds were to be an incentive to the neighbors to underground the utilities.

CLOSED PUBLIC HEARING

MOTION SECONDED AND CARRIED: Moved by Mordo, seconded by Larsen and passed unanimously to approve the Applicant's request to amend the City Council's Conditions of Approval for the subdivision utility improvement plans with an additional deposit of \$12,000 (in addition to the \$20,000) for up to five years from the approval of the final map. (As presented in the staff report)

UNFINISHED BUSINESS

21. Town Goals

- Environmental Leadership and Outstanding Recreational Facilities

Mayor Kerr reminded the City Council that the Westwind Barn Grand Re-opening was scheduled for Sunday, April 18, 2010.

22. Stanford C-2 Trail Project Update (Verbal Report)

Council briefly discussed the project. They requested clarification from staff on whether horses would be permitted on the C-2 trail. Planning Director Debbie Pedro advised that the trail would be built to the Town's standard (Type IIB path) that is suitable for horse use.

It was suggested that the Town request consideration of funding from the VTA for future bicycle "safe lanes" projects in Town.

23. Consideration of Invitation to Discuss Cooperation on Deer Hollow Farm from the City of Mountain View

Following a brief discussion, Council consensus was to approve the request to send a council representative to the meeting being organized by the City of Mountain View to discuss operations of Deer Hollow Farm located at Rancho San Antonio Preserve. Council discussed options for assisting the Farm in the future including possible financial support proportional to the Town's population. Mordo offered that the Farm was an educational asset to all of the neighboring communities

Council briefly discussed the procedures for the Town's annual grants to community service organizations. It was suggested that the Council revisit the grants and consider the possibility of establishing core objectives for the award process. Council requested that the funding procedure be scheduled for discussion at a future council meeting.

NEW BUSINESS

24. Consideration of Meeting Calendar for adoption of Proposed Town Budget for Fiscal Year 2010-11 (Staff: N. Pegueros)

Council consensus was to schedule a budget study session prior to the May 20, 2010 regular City Council meeting.

25. Consideration of a Resolution Authorizing the City Manager to Execute a 5-Year Agreement with Tyler Technologies for a Turn-Key Financial Management System and Execution Agreements for Implementation Support and Equipment Purchases (Staff: N. Pegueros)

Finance Director Nick Pegueros introduced the item to the City Council. He summarized the issues with the current financial management database system employed by the Town. The software, initially installed in 1998, was designed for large cities, counties and school districts and the Town's version has largely gone unchanged since the initial installation. Consequently, the current system lacks many of the features expected of modern financial management packages including report writing functionality and interfaces with commonly used productivity software such as Microsoft's Excel. The software operates on a UNIX server that is at the end of its productivity according to the Town's IT consultants; reached memory capacity; and is prone to failure.

Pegueros reviewed the proposal for a new system that included the implementation of a turn-key option for financial management software that would interface with Excel and ADP and have a low demand for in-house IT support. Training and equipment were also included in the proposal.

Pegueros noted that in addition to staff's due diligence for the proposal, the Finance and Investment Committee had interviewed Tyler and reviewed the firm's financial stability. MOTION SECONDED AND CARRIED: Moved by Larsen, seconded by Mordo and passed unanimously to adopt Resolution No. 21-10 "Authorizing the City Manager to Execute a 5-Year Agreement with Tyler Technologies for a Turn-Key Financial Management System and Execute Agreements for Implementation Support and Equipment purchases"

REPORTS FROM COMMITTEES, SUB-COMMITTEES, AND COUNCILMEMBERS ON OUTSIDE AGENCIES

No reports were given.

STAFF REPORTS

City Manager

City Attorney

City Clerk

No reports were given.

COUNCIL INITIATED ITEMS

26. Discussion of Parking Control Issues and Solutions Related to Little League Activities (Mayor Kerr)

Mayor Kerr explained that he had brought this item forward to see if there was an amenable resolution to the parking problems on Purissima Road and at the Little League fields (Purissima Park). Kerr offered that the park improvements had resulted in a net loss of approximately 20 parking spaces.

Council discussed several options to address the parking issue. They included: labeling (signage) of the staff parking at the corporation yard as “overflow parking” and a review by the Sheriff and staff of options for additional parking on Purissima and Viscaino Roads. Council gave direction for a review of the feasibility of removing some of the “No Parking” signs on Purissima.

Captain Calderone, Santa Clara County Office of the Sheriff, agreed to work with the City Engineer to study the options for safe alternatives and return to the Council with a proposal to maximize safe parking.

27. Discussion of Request to the Bay Area Air Quality Management District with Respect to Monitoring Lehigh Quarry (Mayor Kerr)

Bill Almon, resident, thanked the City Council for the opportunity to update them on concerns regarding emissions from the Lehigh Quarry and air and water quality violations. He shared a PowerPoint presentation with the City Council that included: photos of the quarry; mine waste on the ridgeline; a map/aerial of the areas of Los Altos Hills that were in close proximity to the mining pit; and, test results of airborne dust collected from the plant/pit that showed arsenic levels 50x the California health limit. Almon explained that the plant was closer to the City of Cupertino’s boundaries but the Town’s boundaries were closer to the mining pit.

Almon advised the City Council that for the past year, local regulatory agencies have insisted that the quarry had been compliant with their emissions and no actions by the agencies were needed. The local agencies reviewing the quarry operations included: the Bay Area Air Quality Management District, the County of Santa Clara and the Water Quality Control Board.

In March, 2010, the United States Environmental Protection Agency (EPA) hired a private investigator to review the plant and the operations. His investigation had found multiple violations that affected water (Permanente Creek), erosion and air quality. The violations were turned over to the Water Quality Control Board for prosecution. Violation Notices to Lehigh Cement Plant and Quarry were issued. Almon provided a brief description of the citations for the contamination of Permanente Creek and erosion and slope control of the waste overburden on the Ridgeline.

The EPA also issued a Notice of Violation to the quarry on March 10, 2010 stating that they were not compliant with certain sections of the Clean Air Act pertaining to air quality and emissions. Almon shared the “Notice of Violation” with the City Council. The EPA has declared the quarry’s operating permit (Title V license) invalid.

Almon requested Council assistance given the health and safety impact of the quarry emissions on Town residents. He noted that the quarry will be requesting a 25year operations permit from the County of Santa Clara next year and a new Title V, 5 year permit from the Bay Area Air Quality Management District. He suggested that it would be appropriate for the Council to send letters to Santa Clara County Board of Supervisors and Bay Area Air Quality Management District regarding the operation concerns cited by the EPA.

Council thanked Mr. Almon for his presentation and bringing the issue forward to the Council.

Council briefly discussed the option of requesting a monitoring station to be located in Los Altos Hills to collect air quality data when the Cupertino monitoring program was completed. Almon explained that at this time, it was important for the Council to go on the record expressing their concerns on behalf of the Town residents. Council consensus was to have a letter drafted on behalf of the Council to be sent to the Board of Supervisors, Bay Area Air Quality Board and Water Quality Control Board. Following Council review of the draft, the letter would be sent under the Mayor's signature to the identified jurisdictions.

ADJOURNMENT

There being no further business, the meeting was adjourned by the consensus of the City Council at 12:30 p.m.

Respectfully submitted,

Karen Jost
City Clerk

The meeting minutes were approved as presented at the May 13, 2010 regular City Council Meeting.